

## Message Text

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ACTION EB-07

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REF: STATE 63239

THERE FOLLOWS COMPLETE TEXT OF EMBASSY'S NOTE VERBALE NUMBER 136  
OF MARCH 5, 1975 ON GROUND SERVICES AT ROME AIRPORTS.

QTE THE EMBASSY OF THE UNITED STATES OF AMERICAN PRESENTS  
ITS COMPLIMENTS TO THE MINISTRY OF FOREIGN AFFAIRS OF THE  
ITALIAN REPUBLIC AND HAS THE HONOR, IN ACCORDANCE WITH INSTRUCTIONS  
RECEIVED FROM WASHINGTON, TO REFER TO THE MONOPOLISTIC SITUATION  
FOR THE PROVISION OF GROUND SERVICES AT THE ROME AIRPORTS  
(CIAMPINO AND FIUMICINO).

QTE LAW 755 OF NOVEMBER 10, 1973 AND SUBSEQUENT DECREES  
ESTABLISHED THE ROME AIRPORTS AUTHORITY (SOCIETA' AEROPORTI DI  
ROMA -- SAR) AND EMPOWERED IT TO OPERATE THE AIRPORTS "THROUGH  
THE DIRECT PERFORMANCE OF AIRPORT SERVICES." TO THIS END, SAR  
TURNED OVER ALL FOOD SERVICES AT THE TWO AIRPORTS TO SO.GE.ME.,  
ON ALITALIA SUBSIDIARY, ON JANUARY 20, 1975 AND WILL TAKE OVER  
ALL GROUND SERVICES (EXCEPT MAINTENANCE AND FLIGHT PLANNING)  
NOT LATER THAN JULY 1, 1975, EXCEPT FOR CERTAIN SERVICES WHICH  
ONE COMPANY, ALITALIA, WILL BE PERMITTED TO PROVIDE FOR ITSELF.

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FOREIGN AIRLINES WILL NOT BE PERMITTED TO CONTINUE TO PROVIDE

THEIR OWN GROUND SERVICES.

QTE. THE UNITED STATES GOVERNMENT WISHES TO EXPRESS ITS OBJECTION BOTH TO THE MONOPOLISTIC PROVISION OF GROUND HANDLING SERVICES AT THE ROME AIRPORTS BY SAR OR SAR-DESIGNATED COMPANIES AND TO THE DISCRIMINATION WHICH RESULTS FROM ALITALIA BEING ABLE TO PROVIDE CERTAIN GROUND SERVICES FOR ITSELF WHILE UNITED STATES CARRIERS ARE REQUIRED TO USE THOSE SERVICES PROVIDED BY SAR.

QTE. AIRLINE GROUND SERVICES ARE INHERENTLY PART OF, AND UNSEPARABLE FROM, THE OVERALL SCOPE OF COMMERCIAL AIRLINE OPERATIONS WHICH ARE THE RESPONSIBILITY OF THE INDIVIDUAL AIRLINES. THIS RESPONSIBILITY INCLUDES IN PARTICULAR THE OPERATION OF CHECK-IN COUNTERS AND CATERING (FOOD SERVICES), FOR WHICH THE PUBLIC HOLDS THE AIRLINE ITSELF RESPONSIBLE, EVEN THOUGH THESE SERVICES MAY BE PROVIDED UNDER CONTRACT BY A SERVICE ORGANIZATION. WHEN PROVIDING ITS OWN SERVICES, AN AIRLINE CAN DIRECTLY CONTROL THE QUALITY AND PRICE OF THE SERVICE. QUALITY AND PRICE CAN BE INDIRECTLY CONTROLLED WHEN THE AIRLINE HAS A CHOICE OF SEVERAL VENDORS OF SUCH SERVICES. WHEN THE QUALITY OR PRICE OF GROUND SERVICES IS UNSATISFACTORY IN A MONOPOLY SITUATION, HOWEVER, THE AIRLINE HAS NO RECOURSE. A MONOPOLY SITUATION THEREFORE CAN LEAD TO HIGH PRICES AND POOR SERVICES.

QTE. THE INTERNATIONAL CIVIL AVIATION ORGANIZATION (ICAO), OF WHICH ITALY IS A MEMBER, RECOGNIZES THE IMPORTANCE OF FREE CHOICE IN PROVIDING GROUND SERVICES. THE ESTABLISHMENT OF MONOPOLIES IS CONTRARY TO ACCEPTED INTERNATIONAL PRACTICE AS RECOMMENDED BY ICAO IN THE RECENT AMENDMENT TO ANNEX 9,6.4. THE REQUIREMENT THAT UNITED STATES AIRLINES SERVICE ROME-- PAN AMERICAN WORLD AIRWAYS (PAA) AND TRANS WORLD AIRLINES (TWA) --USE MONOPOLY PROVIDED GROUND SERVICES IS A VIOLATION OF THE PRINCIPLE OF RECIPROCITY AND IS CONTRARY TO GENERALLY ACCEPTED AIRLINES PRACTICE. FOREIGN AIRLINES (INCLUDING ALITALIA) AT UNITED STATES AIRPORTS ARE FREE TO PERFORM THEIR OWN GROUND SERVICES OR TO USE AGENTS OF THEIR CHOICE.

QTE. THE FACT THAT SAR WILL PERMIT ALITALIA TO CONTINUE TO LIMITED OFFICIAL USE

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PROVIDE SOME OF ITS OWN GROUND SERVICES CONSTITUTES DISCRIMINATION, WHICH IS NOT ACCEPTABLE TO THE UNITED STATES GOVERNMENT. THE DISCRIMINATORY APPLICATION OF THE GROUND SERVICES MONOPOLY TO UNITED STATES AIRLINES WOULD APPEAR TO BE CONTRARY TO THE "FAIR AND EQUAL OPPORTUNITY" PROVISION OF ARTICLE 9(A) OF THE UNITED STATES-ITALY AIR TRANSPORT AGREEMENT OF JUNE 22, 1970.

QTE. THE UNITED STATES GOVERNMENT THEREFORE REQUESTS THE

ITALIAN GOVERNMENT TO PERMIT UNITED STATES AIRLINES SERVING ROME, SHOULD THEY SO DESIRE, TO PROVIDE THEIR OWN GROUND SERVICES OR TO SELECT AN AGENT OF THEIR CHOICE FOR THE PERFORMANCE OF THESE SERVICES. IN THE CASE OF CATERING (FOOD SERVICE), THIS SERVICE COULD BE PROVIDED BY PERMITTING THE USE OF FACILITIES OUTSIDE THE AIRPORT PREMISES. (THE EMBASSY UNDERSTANDS THAT THE FORMER CATERER FOR TWA, DE MONTIS, HAS MADE SUCH A PROPOSAL TO SAR.)

QTE. THE EMBASSY OF THE UNITED STATES OF AMERICA TAKES THIS OPPORTUNITY TO RENEW TO THE MINISTRY OF FOREIGN AFFAIRS THE ASSURANCE OF ITS HIGHEST CONSIDERATION. UNQTE. VOLPE

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